

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

In the Matter of Remedial Action by:)

Citifor Inc. Site)
13120 Tilley Road South)
Olympia, WA 98512)

AGREED ORDER
No. 02TCPSR-4523

TO: Xinguo Sun
Citifor, Inc.
7272 Columbia Center
701 Fifth Avenue
Seattle, WA 98104-7090

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Exhibit A: Site Diagram
Exhibit B: Interim Remedial Action Plan - Drum Burial Area
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I. JURISDICTION

This Agreed Order ("Order") is issued pursuant to the authority of RCW 70.105D.050(l).

II. FINDINGS OF FACT

Washington Department of Ecology ("Ecology") makes the following Findings of Fact, without admission of such facts by Citifor, Inc. ("Citifor").

1. Citifor is the current owner of a 1,625-acre parcel of property located at 13120 Tilley Road South in Maytown, Washington, which was formerly operated as an explosives manufacturing facility. Explosives manufacturing was located primarily in the north central part of the property, on a parcel of about 100 acres. From the early 1940's to 1968, a portion of the property was used to manufacture dynamite, and from the late 1960's to 1994, it was used to manufacture ANFO (a mixture of ammonium nitrate and fuel oil) and MEAN (monoethanolamine nitrate, a slurry explosive).

2. Pacific Powder Company began acquiring and leasing portions of the property described above in Section II, subparagraph 1, in the early to mid 1940s. It operated a dynamite manufacturing facility on the property until 1964, when it sold its facilities and property interests to Hercules Powder Company ("Hercules").

3. Hercules thereafter acquired additional surrounding property and, by 1966, the company owned 1,625 acres, the present size of the property as described in Section II, subparagraph 1. Hercules manufactured dynamite in the north central part of the property from 1964 to 1968 and constructed an ANFO production facility in an area later known as the MEAN Plant. In 1968, Hercules stopped manufacturing explosives on the property and decommissioned its dynamite manufacturing facilities. Hercules continued to ship its explosives from off-site manufacturing facilities to the property and continued to sell those explosives from on-site magazines, where they were stored.

4. In approximately 1970, former Hercules employee William Garson formed Pacific Powder Pipe & Supply, a company which later became known as PACCO. Pacific Powder Pipe & Supply, PACCO, and Mr. Garson may have also conducted business using the Pacific Powder Company name. Between approximately 1970 and 1985, operations conducted on the property included distributing Hercules's explosives, operating a Culvert Plant west of the Powder Plant, and manufacturing ANFO in the MEAN Plant area. When ANFO production was moved in the 1980s to Building 9 in the Powder Plant area, the MEAN Plant was used to manufacture MEAN.

5. In 1985, Ireco, Inc. ("Ireco," which is now Dyno Nobel, Inc. or "Dyno Nobel") purchased the property from Hercules and around 1989 acquired Pacific Powder Company. Ireco continued to operate an ammonium nitrate-based explosive manufacturing facility on the property until December 1993, at which time it sold the property to Citifor. Through a post-sale lease agreement with Citifor, Dyno Nobel sub-leased a portion of the property for one year to its distributor, Alaska Pacific Powder Company.

6. In April 1993, in anticipation of the sale of the property to Citifor, Dyno Nobel conducted an independent investigation and a cleanup of approximately 29 areas that the company identified as potentially contaminated. Dyno Nobel's cleanup activities continued into 1994 and involved the excavation and removal of impacted soils from the ABS Landfill,

MEAN Plant, 1970s-Era Fire Works Burn Pits Area, Culvert Plant, and other areas adjacent to several fuel oil USTs, oil/water separators, sumps, and waste oil tanks at the Powder Plant. Dyno Nobel burned the four potentially lead-lined magazines and transported the resulting ash off-site. It also removed PCB-containing equipment and some asbestos-containing materials. Dyno Nobel documented the results of its cleanup activities in two reports issued in December 1994 and November 1995.

7. Drum Burial Area.

A. During land clearing operations conducted in the fall of 1997, buried drums were discovered on the property, some containing dinitrotoluene (DNT). Conrex, under contract with Dyno Nobel, performed an investigation to identify drum burial locations and to define the nature and extent of soil contamination resulting from the buried drums. Conrex excavated drums from three locations identified as Excavations 1, 2, and 3. Conrex stockpiled contaminated soil southwest of these excavations. Based on the age of trees growing above the drums, aerial photographs, and statements by former employees, it is estimated that drums had been deposited around 1970.

B. In April 1998, Dyno Nobel hired AETS (currently doing business as ONYX) ("AETS/ONYX"). AETS/ONYX trenched in the vicinity of previous excavations and discovered more drums buried in the areas of Excavation 2 and 3A. AETS/ONYX removed the additional drums, and collected soil samples. Based on the results of this soil analysis, the company performed additional investigations in Excavations 1, 2, 3, and 3A, and stockpiled soil from the additional investigations of the Drum Burial Area. AETS/ONYX packaged and transported most of the drums and associated debris for off-site disposal.

C. During an independent investigation of the property in July 1998, buried drums containing dinitrotoluene were discovered. Following that discovery, the Thurston County Health Department conducted three rounds of groundwater sampling. During the first round of sampling, the Thurston County Health Department analyzed six surrounding drinking

water wells for volatile and semivolatile organics, nitroaromatics and nitroamines, metals, and nitrate/nitrite. Sample analytical results were acceptable except for two wells located on residential properties that contained pentachlorophenol ("penta") above state and federal drinking water standards. During the second round of sampling, the Thurston County Health Department again sampled the six wells plus ten other area wells. None of the sixteen wells contained penta. In its last round of sampling, the Thurston County Health Department resampled the two wells where penta had been detected and again found no evidence of the contaminant. Based on these findings, Ecology and the Thurston County Health Department concluded that the groundwater from the drinking water wells was safe to drink.

D. In August 1999, under contract with Citifor, Hart Crowser covered the soil stockpiles with heavy plastic and placed a plastic liner in Excavation 3. In October through December 1999, Hart Crowser assisted Citifor in transporting remaining drums and debris from the Drum Burial Area through a contract with AETS/ONYX. In October 1999, Hart Crowser collected and analyzed soil samples from excavations and trenches not previously sampled by AETS/ONYX. No soil samples collected from Excavation 2 contained detectable DNT concentrations. Relatively low concentrations (less than 0.7 mg/kg) of total DNT were detected in one Excavation 1 sample and in the Excavation 3 samples.

E. In June 2000, October 2000, January 2001, and May 2001, Hart Crowser completed four rounds of quarterly groundwater monitoring within the Drum Burial Area. The first sampling round in June 2000 involved testing for a number of chemical parameters, including: Nitroaromatics/Nitroamines (EPA Method 8330); dissolved Metals (arsenic, cadmium, chromium, copper, mercury, lead, nickel, and zinc); total petroleum hydrocarbons (TPH - WTPH-G and D-extended); volatile organic compounds (EPA Method 8260); semivolatile organic compounds (EPA Method 8270); and miscellaneous inorganics (nitrate, ammonia, sodium chloride, sulfate, and total suspended solids). Because chemical analytes were not detected above concentrations of concern, Hart Crowser reduced the parameter list in

subsequent sampling rounds to nitroaromatics/nitroamines. No nitroaromatic/nitroamine compounds were detected in the June 2000 or October 2000 groundwater sampling rounds. In January 2001, groundwater in well HC-MW-3 contained an estimated concentration of 7 ug/L 2,6-DNT. 2,4-DNT was not detected. In May 2001, a groundwater sample from well HC-MW-3 contained 0.44 ug/L 2,4-DNT and 0.63 ug/L 2,6-DNT (i.e., 1.07 ug/L total DNT).

F. In summer 2002, Hart Crowser completed a supplemental field investigation within the Drum Burial Area to better define the extent of DNT in groundwater and identify potential soil source areas. Hart Crowser advanced 11 borings across the Drum Burial Area and collected one grab groundwater sample at each location. Groundwater samples were also collected from the four permanent wells located within the Drum Burial Area. Groundwater samples were submitted for chemical analysis of nitroaromatics/nitroamines (EPA Method 8330), dissolved iron and manganese (to better define redox conditions), and total suspended solids ("TSS"). Three of the 15 sampling locations contained detectable concentrations of DNT (ranging from 0.0967 to 0.274 ug/L).

G. Hart Crowser also excavated four test pits in the Excavation 1 area and 12 pits in the Excavation 3 area. Detectable concentrations of total DNT were found in four samples in Excavation 1 (primarily within Trench 6) and in one sample along the eastern boundary of Excavation 3. DNT concentrations ranged from 0.0153 to 0.384 mg/kg.

8. Remainder of the Site.

A. In 1995, the Thurston County Health Department, on behalf of Ecology, conducted a site hazard assessment due to a diesel spill near the main complex on the property, including a review of the cleanup activities that Dyno Nobel had completed in the early- to mid-1990s. The Health Department noted that Dyno Nobel's cleanup included extensive soil and water sampling and analysis and the removal of thousands of cubic yards of petroleum-contaminated soil. At the time, the Thurston County Health Department also noted that there was no evidence of contamination above regulatory limits in any of the ground water sampling

that Dyno Nobel had performed at various locations on the property. Based on this information and other information available at the time, the Thurston County Health Department ranked the site as requiring no further action.

B. In January 2002, the Thurston County Health Department performed a second site hazard assessment based on environmental conditions within the Drum Burial Area. The Thurston County Health Department reviewed past activities at the Drum Burial Area, including its own 1998 ground water sampling data and the results from Hart Crowser's 2000 testing. Based on this review and a concern regarding the presence of stockpiled DNT-containing soil in the Drum Burial Area, the Thurston County Health Department scored the site a 2 on a scale of 1 to 5 (1 being the highest risk and 5 being the lowest).

C. In February 2003, Hart Crowser completed Phase I and Phase II environmental assessments of the property. The Phase I assessment included a historical review, a property reconnaissance, and a review of regulatory agency databases and previously completed environmental reports. The Phase II assessment included installation of 21 monitoring wells, collection of surface soil samples from 36 locations, and chemical analysis of groundwater and soil samples. Hart Crowser sampled groundwater in areas of the property that were most heavily used in the manufacturing of explosives and culverts, including the Powder Plant, MEAN Plant, Culvert Plant, ABS Landfill, the Old and New Nitrator Areas, and the Mix and Neutralizer Houses. Hart Crowser placed groundwater monitoring wells in the inferred down gradient direction of these identified manufacturing areas. Surface soil sampling was performed in areas where burning activities or heavy metal-containing herbicide applications could have occurred, including the Laboratory, Magazines, and Dynamite and Gelatin Houses. Sampling along the narrow gauge railroad corridor did not occur as part of this sampling effort.

D. The Phase II environmental assessment indicated that groundwater quality on the property was not significantly impacted. No explosives products (including

nitroaromatics and nitroamines), nitroglycerin, perchlorates, or volatile and semivolatile organics (except for the probable lab contaminant methylene chloride) were detected in any of the 19 groundwater samples. Diesel-range TPH was identified in groundwater in the Powder Plant and MEAN Plant areas, but the TPH concentrations in these areas were below the Method A cleanup level of 0.5 mg/L. Metals and conventional inorganic analytes were not detected in groundwater at concentrations of potential concern.

E. Surface soil samples generally did not contain constituents at concentrations exceeding natural background conditions or MTCA cleanup levels. The concentration of diesel- and oil-range petroleum hydrocarbons in a surface soil sample collected at the Culvert Plant drainage depression exceeded Method A unrestricted use cleanup levels. Arsenic concentrations in two of the 37 soil samples collected slightly exceeded the Method A unrestricted use cleanup level.

III. ECOLOGY DETERMINATIONS

1. Citifor is an "owner or operator" as defined at RCW 70.105D.020(12) of a "facility" as defined in RCW 70.105D.020(4).

2. The facility is known as the Citifor, Inc. Site ("Site") and is generally located at 13120 Tilley Road South, Maytown, WA 98512. The Site is defined by the extent of contamination caused by the release of hazardous substances at the Site. Based upon factors currently known to Ecology, the Site is more particularly described in Exhibit A to this Order, which is a detailed Site diagram.

3. The substances found at the Site as described above are "hazardous substances" as defined at RCW 70.105D.020(7).

4. Based on the presence of these hazardous substances at the Site and all factors known to Ecology, there is a release or threatened release of hazardous substances from the Site, as defined at RCW 70.105D.020(20).

5. Ecology issued a “potentially liable person” status letter dated November 4, 1998, to Citifor, pursuant to RCW 70.105D.040, RCW 70.105D.020(16) and WAC 173-340-500. By a letter dated November 19, 1998, Citifor responded to the “potentially liable person” status letter. After reviewing Citifor’s response, Ecology issued a determination that Citifor is a “potentially liable person” (PLP) under RCW 70.105D.040 and notified Citifor of this determination by letter dated July 11, 2002.

6. By a letter dated March 4, 2003, Ecology notified Hercules of its status as a “potentially liable person” under RCW 70.105D.040 after notice and opportunity for comment.

7. By a letter dated March 4, 2003, Ecology notified Dyno Nobel of its status as a “potentially liable person” under RCW 70.105D.040 after notice and opportunity for comment.

8. Pursuant to RCW 70.105D.030(1) and 70.105D.050, Ecology may require potentially liable persons to investigate or conduct other remedial actions with respect to the release or threatened release of hazardous substances, whenever it believes such action to be in the public interest.

9. Under WAC 173-340-430(1), an interim action is a remedial action that is technically necessary to reduce a threat to human health or the environment, corrects a problem that may become substantially worse or cost substantially more to address if the remedial action is delayed, or is needed to provide for completion of a site hazard assessment, remedial investigation/feasibility study or design of a cleanup action. The presence of soil and groundwater contamination in the Drum Burial Area warrants an interim action consistent with WAC 173-340-430(1). The excavation and proper disposal of stockpiled and in situ contaminated soils and/or contaminated buildings/structures and/or contaminated debris will help reduce or eliminate the threat of potential or ongoing impacts to human health and the environment.

10. Based on the foregoing facts, Ecology believes the investigation and remedial actions required by this Order are in the public interest.

IV. WORK TO BE PERFORMED

Based on the Findings of Fact and Ecology Determinations, it is hereby ordered that Citifor take the following actions at the Site and that these actions be conducted in accordance with Chapter 173-340 WAC unless otherwise specifically provided for herein.

1. Interim Remedial Action ("Interim Action") for the Drum Burial Area.

A. Under the direct supervision of a registered professional engineer, licensed professional hydrogeologist, or other qualified professional, Citifor shall perform an interim remedial action to commence within 30 days of the effective date of this Agreed Order, as outlined in the Interim Remedial Action Plan ("IRAP"). The IRAP is attached to this Order as Exhibit B, is incorporated by reference, and forms an integral and enforceable part of this Order.

B. All Interim Action sampling and analysis shall be conducted pursuant to the Sampling and Analysis Plan incorporated into the IRAP as Appendix A. Citifor shall perform the Interim Action in accordance with the Health and Safety Plan incorporated into the IRAP as Appendix C. Citifor will conduct compliance monitoring in accordance with section 7.0 of the IRAP and WAC 173-340-410.

C. During performance of the Interim Action, Citifor shall maintain detailed records including photographic documentation of substantive aspects of the work performed, including construction techniques and materials used, items installed, and tests and measurements performed. Citifor's project coordinator or his designee shall provide progress reports to Ecology project coordinator on a monthly basis, unless an alternate schedule is requested by Citifor and agreed to by Ecology in writing. Each progress report shall identify accomplishments for the prior month and expected accomplishments for the upcoming months.

2. Remedial Investigation/Feasibility Study ("RI/FS").

A. In compliance with the requirements contained in WAC 173-340-350 and 173-340-360, Citifor shall conduct a remedial investigation and feasibility study (RI/FS) as

specified in the RI/FS Work Plan ("Work Plan"). The Work Plan is attached to this Order as Exhibit C, is incorporated by reference, and forms an integral and enforceable part of this Order.

B. All sampling and analysis under the RI/FS shall be conducted in accordance with the Work Plan, including the December 8th, 2004 Addendum to the Work Plan.

C. Citifor shall perform the RI/FS in accordance with the Health and Safety Plan incorporated into the Work Plan as Section 4.0.

D. During performance of the RI/FS, Citifor shall maintain detailed records including photographic documentation of substantive aspects of the work performed, including construction techniques and materials used, items installed, and tests and measurements performed. Citifor's project coordinator or his designee will make progress reports to the Ecology project coordinator on a monthly basis, unless an alternate schedule is requested by Citifor and agreed to by Ecology in writing. Each progress report shall identify accomplishments for the prior month and expected accomplishments for the upcoming months.

E. Citifor will submit a draft RI report to Ecology for review and comment within ninety (90) calendar days of completion of field work and receipt of final analytical results, but not later than one year from the effective date of this Agreed Order. Ecology shall endeavor to provide written comments on the draft RI report within sixty (60) calendar days of receipt of the draft RI report. Citifor shall complete a final draft RI report within thirty (30) calendar days of receipt of Ecology's comments.

F. Within ninety (90) calendar days of Ecology's written approval of the draft final RI report, Citifor will submit a focused draft FS report evaluating any necessary remedial alternatives and reporting on the status of the Interim Action conducted in the Drum Burial Area. Ecology shall endeavor to provide written comments on the draft FS report

within sixty (60) calendar days of receipt of the draft FS report. Citifor shall complete a final draft FS report within thirty (30) calendar days of receipt of Ecology's comments.

G. The Final Draft RI and Final Draft FS will become the Final RI/FS after public comment and upon Ecology's approval. Following the public comment period, if no substantive changes to the Final Draft RI and/or the Final Draft FS are necessary, Ecology will approve the Final Draft RI and Final Draft FS as the Final RI/FS and Citifor will have 20 days from Ecology's approval to provide Ecology with the RI/FS report marked "Final". In the event substantive changes to the Final Draft RI and/or Final Draft FS are necessary following public comment, Citifor and Ecology will agree on a schedule to complete those changes. The revised Final Draft RI and FS will then become final upon Ecology's approval.

3. Schedule.

1. Implement Interim Action for the Drum Burial Area (as per the schedule contained in Table 5 of the IRAP)	To commence within 30 days of the effective date of the Order.
2. Implement RI/FS Work Plan	As provided in the Work Plan.
3. Draft RI Report	Within 90 days of completion of field work and receipt of final analytical results, but not later than one year from the effective date of the Order.
4. Ecology's Comments on Draft RI Report	Endeavor to provide within 60 days of receipt of the draft RI Report.
5. Final Draft RI Report	Within 30 days of the receipt of Ecology's comments on the draft RI Report.
6. Draft FS Report	Within 90 days of Ecology's written approval of the final draft RI Report.
7. Ecology's comments on Draft FS Report	Endeavor to provide within 60 days of the receipt of the draft FS Report.
8. Final Draft FS Report	Within 30 days of receipt of Ecology's comments on the draft FS Report.
9. Final RI/FS Reports	Following the requisite public comment period and upon Ecology's approval. Citifor will have 20 days from Ecology's approval to provide the Final RI/FS Report if no substantial changes are necessary following public comment.

V. TERMS AND CONDITIONS OF ORDER

1. Definitions.

Unless otherwise specified, the definitions set forth in Chapter 70.105D RCW and Chapter 173-340 WAC shall control the meanings of the terms used in this Order.

2. Public Notices.

RCW 70.105D.030(2)(a) requires that, at a minimum, this Order be subject to concurrent public notice. Ecology shall be responsible for providing such public notice and reserves the right to modify or withdraw any provisions of this Order should public comment disclose facts or considerations which indicate to Ecology that the Order is inadequate or improper in any respect.

3. Remedial Action Costs.

Citifor shall pay to Ecology costs incurred by Ecology pursuant to this Order and consistent with WAC 173-340-550. These costs shall include work performed by Ecology or its contractors for, or on, the Site under chapter 70.105D RCW both subsequent to the effective date of this Order and retroactive to July 1, 1998. Citifor shall pay the required amount within ninety (90) days of receiving from Ecology an itemized statement of costs that includes a summary of costs incurred, an identification of involved staff, and the amount of time spent by involved staff members on the project. A general description of work performed will be provided upon request. Itemized statements shall be prepared quarterly. Failure to pay Ecology's costs within ninety (90) days of receipt of the itemized statement of costs will result in interest charges pursuant to WAC 173-340-550(4).

4. Designated Project Coordinators.

The project coordinator for Ecology is:

Name: Mike Blum
Address: Department of Ecology
Southwest Regional Office
P.O. Box 47775,
Olympia, WA 98504-7775

Telephone: (360)407-6262
E-mail: mblu461@ecy.wa.gov

The project coordinator for Citifor is:

Name: Steve Germiot
Address: Aspect Consulting
811 First Avenue, Suite 480
Seattle, WA 98104 –
Telephone: (206) 838-5830
E-mail: sgermiot@aspectconsulting.com

The project coordinators shall be responsible for overseeing the implementation of this Order. To the maximum extent possible, communications between Ecology and Citifor, and all documents, including reports, approvals, and other correspondence concerning the activities performed pursuant to the terms and conditions of this Order, shall be directed through the project coordinators.

Should Ecology or Citifor change their project coordinators, written notification shall be provided to Ecology or Citifor at least ten (10) calendar days before the change.

Citifor's project coordinator and Ecology's project coordinator may verbally agree to minor modifications to the work to be performed without formal amendment of this Order, so long as the modifications do not constitute substantial changes to the work to be performed. For minor modifications, Citifor's project coordinator or his designee shall submit a written description of the modification to the Ecology project coordinator within seven (7) days of the verbal agreement, and Ecology's project coordinator shall provide written confirmation of any agreed modification.

5. Performance.

All work performed pursuant to this Order shall be under the direction and supervision, as necessary, of a Washington State registered professional engineer, Washington State licensed professional hydrogeologist, or other qualified professional, with appropriate training, experience and expertise in hazardous waste site investigation and cleanup. Citifor shall notify

Ecology as to the identity of such engineer(s), hydrogeologist(s), or professional(s), and of any contractors and subcontractors to be used in carrying out the terms of this Order in advance of their involvement at the Site. Citifor shall provide a copy of this Order to all agents, contractors, and subcontractors retained to perform work required by this Order and shall ensure that all work undertaken by such agents, contractors and subcontractors will be in compliance with this Order.

Except where necessary to abate an emergency situation, Citifor shall not perform any remedial actions at the Site outside those remedial actions required by this Order unless Ecology concurs, in writing, with such additional remedial actions.

6. Access.

Ecology or any Ecology authorized representative shall have the authority to enter and freely move about the Site at all reasonable times for the purposes of, inter alia: inspecting records, operation logs, and contracts related to the work being performed pursuant to this Order; reviewing the progress in carrying out the terms of this Order; conducting such tests or collecting samples as Ecology or the project coordinators may deem necessary; using a camera, sound recording, or other documentary type equipment to record work done pursuant to this Order; and verifying the data submitted to Ecology by Citifor. By signing this Order, Citifor agrees to allow Ecology access to the Site at all reasonable times for purposes of overseeing work performed under this Order, and Ecology agrees to endeavor to provide Citifor 24-hours notice before visiting the Site except when visiting because of an emergency situation. Ecology shall allow split or replicate samples to be taken by Citifor unless doing so interferes with Ecology's sampling and shall endeavor to provide seven (7) days' notice before any sampling activity. Citifor shall allow split or replicate samples to be taken by Ecology and shall provide no less than seven (7) days' notice before any sampling activity. The requirements of this section are limited to sampling in accordance with this Agreed Order.

7. Public Participation.

Citifor shall prepare and/or update a public participation plan for the Site. Ecology shall maintain the responsibility for public participation at the Site. Citifor shall help coordinate and implement public participation for the Site.

8. Retention of Records.

Citifor shall preserve in a readily retrievable fashion, during the pendency of this Order and for ten (10) years from the date of completion of the work performed pursuant to this Order, all records, reports, documents, and underlying data in its possession relevant to this Order. Should any portion of the work performed hereunder be undertaken through contractors or agents, Citifor agrees to include in its contract with such contractors or agents a record retention requirement meeting the terms of this paragraph.

9. Dispute Resolution.

In the event Citifor disputes an approval, disapproval, proposed modification or other decision or action by Ecology's project coordinator, Citifor shall utilize the following dispute resolution procedure:

A. Upon receipt of the Ecology project coordinator's written decision, Citifor has fourteen (14) days within which to notify Ecology's project coordinator in writing of its objection to the decision.

B. Ecology's and Citifor's project coordinators shall then confer in an effort to resolve the dispute. If the project coordinators cannot resolve the dispute within fourteen (14) days, Ecology's project coordinator shall issue a written decision.

C. Citifor may then request Ecology management review of the decision. This request shall be submitted in writing to the Southwest Region Toxics Cleanup Section Manager within seven (7) days of receipt of Ecology's project coordinator's decision.

D. The Section Manager shall conduct a review of the dispute and shall endeavor to issue a written decision regarding the dispute within sixty (60) days of Citifor's

request for review. The Section Manager's decision shall be Ecology's final decision on the disputed matter.

E. Citifor agrees to utilize the dispute resolution process in good faith and to expedite, to the extent possible, the dispute resolution process whenever it is used.

F. Implementation of these dispute resolution procedures shall not provide a basis for delay of any activities required in this Decree, unless Ecology agrees in writing to a schedule extension.

10. Reservation of Rights/No Settlement.

This Order is not a settlement under Chapter 70.105D RCW. Ecology's signature on this Order in no way constitutes a covenant not to sue or a compromise of any Ecology rights or authority. Ecology will not, however, bring an action against Citifor to recover remedial action costs paid to and received by Ecology under this Order. In addition, Ecology will not take additional enforcement actions against Citifor to require those remedial actions required by this Order, provided Citifor complies with this Order. Ecology reserves the right, however, to require additional remedial actions at the Site should it deem such actions necessary. Ecology also reserves all rights regarding the injury to, destruction of, or loss of natural resources resulting from the releases or threatened releases of hazardous substances from the Site.

Citifor's signature on this Order in no way constitutes an agreement to perform any remedial actions at the Site outside of those remedial actions required by this Order, nor does it constitute an admission of any liability for natural resources or other damages or a waiver of any defense regarding such damages.

11. Transference of Property.

No voluntary conveyance or relinquishment of title, easement, leasehold, or other interest in any portion of the Site shall be consummated by Citifor without provision for

continued implementation of all requirements of this Order and implementation of any remedial actions found to be necessary as a result of this Order.

Prior to transfer of any legal or equitable interest Citifor may have in the Site or any portions thereof, Citifor shall serve a copy of this Order upon any prospective purchaser, lessee, transferee, assignee, or other successor in such interest. At least thirty (30) days prior to finalization of any transfer, Citifor shall notify Ecology of said transfer.

12. Compliance With Applicable Laws.

A. All actions carried out by Citifor pursuant to this Order shall be done in accordance with all applicable federal, state, and local requirements, including applicable permitting requirements, except as provided in subparagraph B of this section.

B. Pursuant to RCW 70.105D.090(1), the substantive requirements of Chapters 70.94, 70.95, 70.105, 75.20, 90.48, and 90.58 RCW and of any laws requiring or authorizing local government permits or approvals for remedial action under this Agreed Order that are known to be applicable at the time of issuance of the Order have been included in the Work Plan and are binding and enforceable requirements of this Order.

Citifor has a continuing obligation to determine whether additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order. In the event either Citifor or Ecology determines that additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order, it shall promptly notify the other party of this determination. Ecology shall determine whether Ecology or Citifor shall be responsible to contact the appropriate state and/or local agencies. If Ecology so requires, Citifor shall promptly consult with the appropriate state and/or local agencies and provide Ecology with written documentation from those agencies of the substantive requirements those agencies believe are applicable to the remedial action. Ecology shall make the final determination on whether the additional substantive requirements must be met by Citifor and on how Citifor must meet those

requirements. Ecology shall inform Citifor in writing of these requirements. Once established by Ecology, the additional requirements shall be enforceable requirements of this Order. Citifor shall not begin or continue the remedial action potentially subject to the additional requirements until Ecology makes its final determination.

Ecology shall ensure that notice and opportunity for comment is provided to the public and appropriate agencies before establishing the substantive requirements under this section.

C. Pursuant to RCW 70.105D.090(2), in the event that Ecology determines that the exemption from complying with the procedural requirements of the laws referenced in RCW 70.105D.090(1) would result in the loss of approval from a federal agency necessary for the state to administer any federal law, such exemption shall not apply and Citifor shall comply with both the procedural and substantive requirements of the laws referenced in RCW 70.105D.090(1), including any requirements to obtain permits.

13. Endangerment.

In the event Ecology determines that any activity being performed at the Site is creating or has the potential to create a danger to human health or the environment on or surrounding the Site, Ecology may direct Citifor to cease such activities for such period of time as it deems necessary to abate the danger. Citifor shall immediately comply with such direction.

If, for any reason, Citifor determines that any activity being performed at the Site is creating or has the potential to create a danger to human health or the environment, Citifor may cease such activities. Citifor shall notify Ecology's project coordinator as soon as possible, but no later than twenty-four (24) hours after making such determination or ceasing such activities. Upon Ecology's direction, Citifor shall provide Ecology with documentation of the basis for the determination or cessation of such activities. If Ecology disagrees with Citifor's cessation of activities, it may direct Citifor to resume such activities.

If Ecology concurs with or orders a work stoppage pursuant to this section, Citifor's obligations with respect to the ceased activities shall be suspended until Ecology determines

the danger is abated, and the time for performance of such activities, as well as the time for any other work dependent upon such activities, shall be extended for such period of time as Ecology determines is reasonable under the circumstances.

VI. SATISFACTION OF THIS ORDER

The provisions of this Order shall be deemed satisfied upon Citifor's receipt of written notification from Ecology that Citifor has completed the remedial activity required by this Order, as amended by any modifications, and that all other provisions of this Order have been complied with.

VII. ENFORCEMENT

I. Pursuant to RCW 70.105D.050, this Order may be enforced as follows:

A. The Attorney General may bring an action to enforce this Order in a state or federal court.

B. The Attorney General may seek, by filing an action, if necessary, to recover amounts spent by Ecology for investigative and remedial actions and orders related to enforcement of this Order.

C. In the event Citifor refuses, without sufficient cause, to comply with any term of this Order, Citifor will be liable for:

(1) Up to three times the amount of any costs incurred by the state of Washington as a result of its refusal to comply; and

(2) Civil penalties of up to \$25,000 per day for each day it refuses to comply.

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D. This Order is not appealable to the Washington Pollution Control Hearings Board.

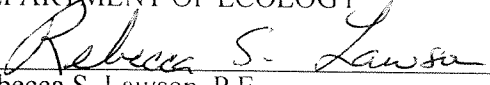
This Order may be reviewed only as provided under RCW 70.105D.060.

Effective date of this Order: _____

CITIFOR, INC.

By 
Xinguo Sun
Citifor, Inc.
Seattle, Washington

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

By 
Rebecca S. Lawson, P.E.
Section Manager
Toxics Cleanup Program
Ecology Southwest Regional Office

Please Note:

THE EFFECTIVE DATE OF THIS ORDER WILL BE ADDED
BY ECOLOGY AFTER CONSIDERATION OF PUBLIC
COMMENT RECEIVED